

**Before the State of South Carolina  
Department of Insurance**

In the matter of:

Michael A. Espenlaub

1422 Wesley Walk  
Atlanta, Georgia 30327.

SCDOI File Number 2003-117895

**Default Order Revoking  
Insurance Agent's License**

This matter comes before me pursuant to a Letter of Allegation and Notice of Opportunity for Public Hearing served, as required within S.C. Code Ann. § 38-3-170 (Supp. 2002), by the State of South Carolina Department of Insurance upon Michael A. Espenlaub, by both certified mail, return receipt requested, and by regular mail on June 24, 2003.

That letter informed Mr. Espenlaub of his right to request a public hearing upon the allegations of impropriety contained within the letter against him. The letter further warned that his failure to make a timely, written request would result in my summary revocation of his license to do business as a resident insurance agent within the State of South Carolina. Despite that warning, Mr. Espenlaub has failed to respond to the Department's letter. Mr. Espenlaub has failed to provide the Department with a current address in violation of S.C. Code Ann. § 38-43-107 (1989), and the United States Postal Service returned as undeliverable the letters sent by the Department. On August 4, 2003, therefore, counsel for the Department filed an Affidavit of Default, and the entire matter was submitted directly to me for my summary decision based solely on the record.

The letter alleged, and I now find as fact, that while licensed to do business as a nonresident insurance agent within the State of South Carolina for Northwestern Mutual Life Insurance Company, Michael Espenlaub: "signed a customer's name to a policy loan agreement without the customer's consent or knowledge, as means of a 'security loan'; borrowed money from different customers and signed or directed to be signed a customer's name to an assignment form for a life insurance policy, and in so doing, assigned the customer's interest in her variable annuity to himself, without the customer's consent or knowledge."

Section 38-43-130 of the South Carolina Code provides the Director or his designee "may revoke or suspend an agent's license after ten day's notice ... when it appears that an agent ... has violated this title or any regulation promulgated by the department, has been involved in the commission of fraudulent activities or has willfully deceived or dealt unjustly with the citizens of this State."

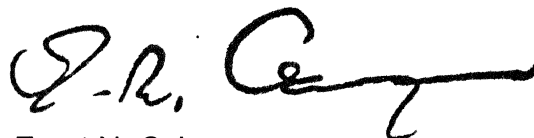
In accordance with my findings of fact, and considering Michael A. Espenlaub's failure to avail himself of his opportunity to be heard, I now conclude, as a matter of law, that Mr. Espenlaub violated S.C. Code Ann. § 38-43-130(Supp. 2002) and that his resident insurance agent's license should be revoked.

This administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's, *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2002). Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110(Supp. 2002), of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that the license of Michael A. Espenlaub to do business as a resident insurance agent within the State of South Carolina be, and is hereby, revoked, and that no license issued through the State of South Carolina Department of Insurance is to be issued to him.

It is further ordered that a copy of this order shall be transmitted to the National Association of Insurance Commissioners for distribution to its current member states and to each insurer for which Mr. Espenlaub is currently licensed, through the State of South Carolina Department of Insurance, as a resident insurance agent within the State of South Carolina.

This order becomes effective as of the date of my signature below.

A handwritten signature in black ink, appearing to read "E. N. Csiszar", with a long horizontal flourish extending to the right.

Ernst N. Csiszar  
Director

4 August 2003  
Columbia, South Carolina

Before the State of South Carolina  
Department of Insurance

In the matter of:

Michael A. Espenlaub  
1422 Wesley Walk  
Atlanta, Georgia 30327

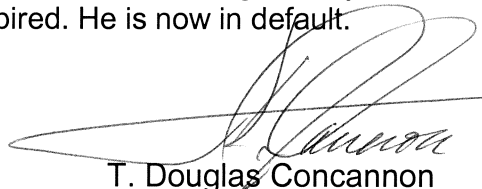
SCDOI File Number 2003-117895

**Affidavit of Default**

Personally appeared before me T. Douglas Concannon, who, being duly sworn, stated that at all times relevant to this Affidavit of Default he was an attorney representing the State of South Carolina Department of Insurance in this administrative action. He further stated the following:

The Department served notice on Michael A. Espenlaub at the address detailed above by a Letter of Allegation and Notice of Opportunity for a Public Hearing that the Department would request the Director of Insurance to summarily revoke his license to act as a resident insurance agent within the State of South Carolina in thirty days. The Department served the Notice, pursuant to S.C. Code Ann. § 38-3-170 (Supp. 2002), by "depositing it in the United States mail, postage prepaid, addressed to the last known address of the person and registered with the return receipt requested." That Notice further informed Mr. Espenlaub of his opportunity, within thirty days, to request in writing a public hearing.

The United States Postal Service effected service of the Notice by certified mail, return receipt requested, and by regular mail, on or about 6-26-03, 7-10-03 and 7-16-03. Mr. Espenlaub has made no request for a public hearing or any other response to the Notice. The time in which to do so has expired. He is now in default.



T. Douglas Concannon  
Associate General Counsel  
South Carolina Department of Insurance  
Post Office Box 100105  
Columbia, South Carolina 29202-3105  
(803) 737-6132

Sworn to and subscribed before me  
this 4th day of August, 2003.



Steven R. DuBois  
Notary Public for the State of South Carolina  
My Commission Expires May 10, 2009